

# The Gazette of India

## EXTRAORDINARY PART II—Section 3—Sub-section (II) PUBLISHED BY AUTHORITY

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### CENTRAL BOARD OF REVENUE

#### NOTIFICATION

#### INCOME-TAX

*New Delhi, the 25th June 1959*

**S.O. 1476.**—The following draft of certain further amendments in the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 59 of the Indian Income-tax Act, 1922 (11 of 1922), is published as required by sub-section (4) of the said section, for information of persons likely to be affected thereby; and notice is hereby given that the said draft will be taken into consideration on or after 31st July 1959.

2. Any objection or suggestion which may be received from any person with respect to the said draft before the date so specified will be considered by the said Board.

In the said rules,

1. for rules 12 and 12A the following rules shall be substituted, namely:—

“12. In the case of income chargeable under the head “Interest on Securities” where the deduction is not made by or on behalf of Government, the person making deduction of tax under sub-section (3) of section 18 shall within ten days of the date thereof send to the Income-tax Officer concerned a statement in the following form, namely:

Statement of deduction of tax from interest on securities—where deduction is not made by or on behalf of Government.

1. Description of securities.
2. Numbers of securities.
3. Dates of securities.
4. Amounts of securities on which interest is paid.
5. Period for which interest is paid.
6. Amount of interest.
7. Amount of tax deducted at source:—

	Amount of interest	Tax deducted
(a) From interest payable to companies.	Income-tax Super-tax	..
(b) From interest payable to persons other than companies.	Income-tax Surcharge on I. T. Super-tax Surcharge on S/T.	

8. Date on which tax was deducted, and

9. Date on which tax deducted was paid to the credit of Government. (Here also give the numbers and dates of the chalans through which tax was paid).

I, ..... certify that the above statement is correct and complete.

Signature of the person  
making the deduction.

Date:

Designation.

12A. The person making deduction of tax in accordance with sub-sections (3), (3B), (3C) or (3D) of section 18 from any payment made to

(i) a person, not being a company who is not resident in India, or

(ii) to a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,

shall within ten days of the date of deduction send to the Income-tax Officer concerned a statement in the following form:

*Statement of deductions of tax from interest, dividends or any other sum payable to non-resident persons (including non-resident companies).*

Name and address of the payer:

Sl. No.	Name and address of the recipient	Date of payment and in the case of dividends the date of declaration of dividends by the company	Nature of payment	*Amount payable before deduction of tax	Amount of tax deducted			
					Income-tax	Sur-charge	Super-tax	Surcharge
					@ Rs.	@ Rs.	@ Rs.	@ Rs.

*A. Recipients who are companies*

TOTAL

*B. Recipients who are not companies*

TOTAL

Date on which the tax deducted was paid to the credit of Government. (Here give also the Nos. and dates of the Chalans through which tax was paid).

I, ..... certify that the above particulars are correct and complete.

Signature of the person  
making the deduction.

Date:

*\*Note.*—In the case of interest the rate per cent per annum, the period for which the interest has been paid and the amount on which the interest has been computed should be specified.

12AA. The person making deduction in accordance with sub-section (3D) of section 18 from dividends declared by a company shall within ten days of the date of deduction send to the Income-tax Officer assessing the company a statement in the following form, namely:—

Statement of deduction of tax under section 18(3D) of the Income-tax Act.

1. Name and address of the company declaring the dividend.
2. Date of declaration of dividend.
3. Period for which dividend has been declared.
4. Amount of dividend declared (before deduction of tax)

Amount payable to com- panies.	Amount payable to persons other than companies.
_____	_____

5. Deduct

- (i) amount attributable to that part of the income of the company on which no tax was payable under section 15C as determined by the I. T. under section 18 (3F).
- (ii) Amount covered by exemption certificates issued under the proviso to section 18(3D).
- (iii) amount on which no deduction was to be made in view of the provisions of section 18(10)
- Total amount on which no deduction was made.

_____	_____
_____	_____

6. Net amount on which tax was deducted under section 18(3D)

7. Amount of tax deducted:

Income-tax  
Surcharge  
Super-tax  
Surcharge  
Total amount of deduction

_____	_____
_____	_____

8. Date on which tax deducted was paid to the credit of Government. (Here also give the Nos. and dates of chalanghs through which payment was made)

I, ..... hereby certify that the above particulars are correct and complete.

Date:

Signature.....

2. in rule 12B,

- (1) for the figures, letters, brackets and word '(3), (3A), (3B), (3C) (3D) and (3E)' the figures, letters, brackets and word '(3), (3B), (3C) and (3D)' shall be substituted;

- (2) for the word 'Imperial' the word 'State' shall be substituted;

3. in rule 12C,

- (1) for the words "application for a certificate under the proviso" in both the places where they occur, the words "application by a person, other than a company, for a certificate under the first proviso" shall be substituted;

- (2) after the words "was less than the minimum liable to income-tax"  
amounted to Rs. ....

the words

"and I have no reason to expect that my total income during  
total world income  
the three years next following will increase substantially" shall be  
inserted;

(d) for the words "at the rate of ..... pies in the rupee", the following shall be substituted, namely:—

"at the rate of .....%";

4. after rule 12C, the following rules shall be inserted, namely:—

"12D. An application by a company for a certificate under the first proviso to sub-section (3) of section 18 shall be made in the following form:—

Application by a company for a certificate under the first proviso to section 18(3) of the Indian Income-tax Act, 1922.

To

The Income-tax Officer,

..... Circle,  
(address)

Sir, ,

I, ..... the principal officer of ..... do hereby declare that for the year ..... the company will be liable to tax at a rate which is less than the rate prescribed for the deduction of tax at source.

I, therefore, pray that a certificate may be issued to the person responsible for paying the interest on securities, particulars of which are given in the schedule hereto to deduct income-tax at the rate of ..... at the time of payment of such interest.

Signature .....

Designation .....

Address .....

#### SCHEDULE

- (i) Description of securities
- (ii) Numbers of securities
- (iii) Dates of securities
- (iv) Amounts of securities
- (v) Dates on which the amounts are payable.

12E. (1) The Income-tax Officer may give a certificate in accordance with the proviso to sub-section (3D) of section 18 authorising the payment of a dividend to a shareholder, other than a company, without deduction of tax only if the following conditions are satisfied, namely:—

(a) The shares in respect of which the certificate is sought for by him

(i) are shares in public companies, and

(ii) stand in his name and are beneficially owned by him or stand in the name of any other person in such circumstances that the dividend on those shares would be includible in the total income of the applicant in accordance with the provisions of sub-section (1) or (3) of section 18.

(b) an application for the certificate is made to the Income-tax Officer in the form annexed to this rule.

(2) The Income-tax Officer shall specify in each certificate issued by him, the period of its validity which shall in no case exceed three years from the date of issue of the certificate. An application for a fresh certificate may be made if required, after the expiry of the period of validity of the earlier certificate.

(3) The certificate shall be issued direct to the Principal Officer of the company under advice to the applicant shareholder.

## ANNEXURE

## Application for a certificate under the proviso to Section 19(3D) of Indian Income Tax Act, 1922

To

The Income-tax Officer,  
.....

Sir,

I, ..... of ..... do hereby declare that my total income/total world income computed in accordance with the provisions of the Indian Income-tax Act, 1922 during the year ending on the 31st day of March, 19 ....., was less than the minimum liable to Income-tax and that I have no reason to expect that my total income during the three years next following will exceed the minimum amount aforesaid.

I, therefore, pray that a certificate may be issued to each of the principal officers responsible for paying the dividend on the shares particulars of which are given in the schedule below to pay the amount of the dividend on the said shares to me without deduction of tax.

Signature .....

Date .....

Address .....

I hereby declare that what is stated in this application is correct.

Date .....

Signature .....

Address .....

## SCHEDULE

S. No.	Name & address of the company	No. of shares	Class of shares and face value of each share	Value of shares	No. of shares certificate

Signature .....

5. for rule 13, the following rule shall be substituted; namely:—

13. The certificate to be furnished under Section 18(9) of the Act by any person paying interest chargeable to tax on any security of the Central Government or of a State Government shall be in the following form:—

Certificate of deduction of tax from the interest on  
bearer bonds

Promissory notes/stock certificates/Subsidiary General Ledger Account Balance.  
Dividend No. of coupon  
Draft No.

\*Number of receipt for interest.

Certified that a sum of Rs. .... has been deducted as specified below:

- (i) Rs. .... being income-tax at the rate of .....
- (ii) Rs. .... being sur-charge on income-tax.
- (iii) Rs. .... being super-tax at the rate of .....
- (iv) Rs. .... being surcharge on super-tax.

from the interest coupons for Rs. .... presented for payment by the draft  
of this date, from Rupees .... being the in the interest receipt  
bearer bonds amount of interest on

Government promissory notes/stock certificates/Subsidiary General Ledger Account Balance  
for Rupees .... of the .... per cent loan of ....  
for Rupees .... of the .... per cent. loan of ....  
said to be the property of .....  
standing in the name of

Signature .....

(Designation of the official  
Pay interest.)

(Name of the office paying interest.)

The

19

(To be signed by the claimant)

I hereby declare that the ..... bearer bonds  
Government promissory notes/stock certificates/  
Subsidiary General Ledger Account Balance

on which interest, as above specified, has been received

were my own property

were the property of ..... of  
(name of company)

which I am the principal officer and were in the possession of .....  
at the time when tax was deducted.

Date .....

Signature .....

\*This Number should also appear in the interest pages on the back of the Government promissory notes.

N.B.-1. The inappropriate words to be struck out.

2. The securities or in the case of a Subsidiary General Ledger Account Balance, a certificate from the Public Debt Office or office of the Reserve Bank of India concerned, to be produced, when required in support of any claim.

3. This certificate should not be returned to the Public Debt Office. In case you desire to claim a refund of the whole or any part of the tax deducted, as shown above, on the ground that your total annual income is below the taxable limit or is less than that to which maximum rate of income-tax applied, you should send this certificate to the Income-tax Office direct with an application in the prescribed form obtainable from that office.

6. In rule 13A,

(1) for the words "certify that Rs. .... being income-tax at the rate of .... pies per rupee has been deducted", the following shall be substituted, namely:—

"Certify that the sum of Rs. .... has been deducted as specified below:

- (i) Rs. .... being income-tax at the rate of ....
- (ii) Rs. .... being surcharge on income-tax.
- (iii) Rs. .... being super-tax at the rate of ....
- (iv) Rs. .... being surcharge on super-tax";

(2) for the words "were my own property and were in the possession of ..... at the time when the income-tax was deducted", the following shall be substituted, namely—

"were my own property  
were the property of ..... of  
(name of company)

which I am the principal officer  
and were in the possession of ..... at the time when  
the tax was deducted" shall be substituted.

7. in rule 13B—

(1) after the words "or any other sum", the words "not being dividends" shall be substituted, namely:—

(2) for the words "Rupees ..... being income-tax at the rate of ..... pies per rupee and Rupees ..... being super-tax at the rate applicable have been deducted" the following shall be substituted, namely:—

"a sum of Rupees ..... has been deducted as specified below:—

Rupees ..... being income-tax at the rate of .....  
 Rupees ..... being surcharge on income-tax.  
 Rupees ..... being super-tax at the rate of .....  
 Rupees ..... being surcharge on super tax."

8. Rule 13C shall be omitted.

9. In Rule 13D, for the words, figures, brackets and letters "subsection (3E) of section 18" the following shall be substituted, namely:—

"Sub-sections (3B) and (3D) of section 18".

10. in rule 14,

(1) for the words and figures 'The certificate to be furnished by the Principal Officer of a company under section 20 shall be in the following form', the following shall be substituted, namely:—

"(1) The certificate to be furnished by the Principal Officer of a company under section 20 in relation to any dividends declared or payable by the company in respect of the previous year relevant to the assessment year 1959-60 or earlier years shall be in the following form:—"

(2) Following shall be inserted at the end, "(2) The certificate to be furnished by the principal officer of a company under sub-section (9) of section 18 for deduction of tax from dividends declared or payable by the company in respect of the previous year relevant to the assessment year 1960-61 and subsequent years [See foot-note 1] shall be in the following form:—

CERTIFICATE OF DEDUCTION OF TAX FROM DIVIDENDS UNDER  
 SECTION 18(9) OF THE INCOME TAX ACT

Name of company .....

Address .....

Date .....

Name and address of the shareholder .....

Status .....

[See foot-note 2]

Warrant for Rs. .... (in words and figures) being the amount of dividend payable after deduction of tax on ..... (here give number and description of shares) to the shareholder mentioned above,

I/We certify.....

(i) that dividend at the rate of Rs. .... (in words and figures) per share was declared at the ..... (here give the number and nature of meeting) meeting held on ..... (date) to consider the accounts of the company in respect of the accounting year/period ending on ..... (date). "

(ii) that a sum of Rs. .... has been deducted on account of income-tax and super-tax from the amount of dividend as detailed below:

#### DETAILS OF TAX DEDUCTION.

1. The amount of dividend from which tax has been deducted. Rs. ....
2. Amount of tax deducted:

[See foot-note 2]

In a case where the shareholder is a company—  
Income-tax @  
Super-tax @

Total tax deducted Rs. ....

In a case where the shareholder is a person other than a company—

Income-tax @  
Surcharge on Income-tax @  
Super-tax @  
Surcharge on super-tax @

Total tax deducted Rs. ....

(iii) That the tax deducted as above has been paid on ..... (date) or will be paid within a week commencing from the date of this certificate to the Central Government; and

(iv) That after deduction of tax, an amount of Rs. .... (in words and figures) is payable to the shareholder.

Signature of principal officer.

Date.....

For,.....  
(name of the company)

NOTE: (1) the entire amount of dividends declared in a meeting held to consider the accounts of the company in respect of a previous year the profits of which are assessable in 1960-61 or in a subsequent year, will constitute 'dividends declared or payable in respect of the previous year relevant to the assessment year 1960-61 or such subsequent year'.

(2) In the case of a shareholder other than a company, whom the principal officer has no reason to believe to be 'Resident' in India, the status should be shown as 'Not-Resident'. The status of any other shareholder not being a company should be shown as 'Resident'.

In the case of a shareholder which is a company, the status should be shown as 'Indian' company if it is incorporated in India, and as a 'Foreign' company, if it is incorporated outside India.

(3) Income-tax and super-tax are to be deducted in each case at the rates prescribed in part III of the First Schedule of the annual Finance Act.

In the case of a preference dividend declared free of tax, for the purpose of computing the tax to be deducted, the amount payable to the shareholder as dividend should be taken to be such an amount as would, after deduction of a sum equal to 30% thereof, be equal to the net amount of dividend receivable by the shareholder free of tax.

(4) Where—

(a) no tax has been deducted in view of the provisions of Section 18(10) or in accordance with an exemption certificate issued by the Income-tax Officer under the proviso to section 18(3D), or

(b) tax has not been deducted on the whole or any portion of the dividend in accordance with the determination of the Income-tax Officer under section 18(3F),

the amount in item (ii) of the certificate should be shown at nil or at the appropriate figure calculated in accordance with the Income-tax Officer's determination; and the specific reason therefor should be given with details, where necessary (for example, number and date and



office of issue of exemption certificate or Income-tax Officer's determination etc.) as a foot-note or annexure to the certificate.

11. For rule 43, the following rule shall be substituted, namely:—

"43. The return by the principal officer of a company under section 19A shall be in the following form and shall be delivered to the Income-tax Officer who assesses the company:—

RETURN UNDER SECTION 19A OF THE INDIAN INCOME TAX ACT,  
1922, FOR THE YEAR 1ST APRIL 19 . TO 31ST MARCH 19 .

Name of company.....

Address of company.....

(1) Resident shareholders/Non-resident shareholders.

S. No.	Name of share holder	Address of shareholder	Date of declaration of dividends	Year for which dividend declared.	Amount of dividends		
					Gross	Tax deducted.	Net
1	2	3	4	5	6	7	8

I, , the principal officer of the company, hereby certify that the above statement contains a complete list of—

- (1) the resident/non-resident shareholders which are companies and to whom a dividend was distributed in the period from the 1st April, 19 , to the 31st March 19 ; and
- (2) other resident/non-resident shareholders of the company to whom a dividend or aggregate dividends exceeding Rs. 5,000 was or were distributed in the period from the 1st April 19 , to the 31st March, 19 .

Dated

19

Signature .....

Foot-note:

- (1) Separate forms should be used for resident companies, non-resident companies, resident non-company shareholders and non-resident non-company shareholders.
- (2) Where dividends are declared free of tax, the figure to be entered in column 8 will be the sum actually paid, and the figure to be entered in column 6 will be the amount which after deduction of 30 per cent therefrom will be equal to the sum actually paid free of tax.

[No. 77.]

N. H. NAQVI, Secy.

